

CS FOR SENATE BILL NO. 2(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 2/11/94
Referred: L&C, JUD, FIN

Sponsor(s): SENATORS DONLEY, Ellis, Salo, Little, Lincoln, Zharoff, Duncan

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring pay equity for certain public employees and requiring the
 2 compensation of certain public employees based on the value of work performed."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * Section 1. AS 23.40.210 is amended by adding new subsections to read:

5 (b) The state and a bargaining organization representing state employees may
 6 not negotiate over or include in an agreement a provision concerning pay levels that
 7 is contrary to AS 39.27.013.

8 (c) An agreement may contain a provision that addresses the compensation of
 9 incumbents in positions that are reclassified to a lower level and that prevents the
 10 reduction of the incumbents' compensation. The provision may prevent a reduction
 11 in compensation for a period not to exceed two years.

12 * Sec. 2. AS 39.27 is amended by adding a new section to read:

13 **Sec. 39.27.013. PAY LEVEL FOR EMPLOYEES MOVED TO A HIGHER**
 14 **PAY RANGE. When an employee's position is moved to a higher pay range, either**

1 through reclassification or through a change in range, the employee shall be placed at
2 the lowest step in the higher pay range that does not result in a decrease in salary.
3 This section applies only to an action taken to implement a job evaluation system
4 adopted under AS 39.90.200 - 39.90.300. This section supersedes a personnel rule to
5 the contrary.

6 * Sec. 3. AS 39.90 is amended by adding new sections to read:

7 ARTICLE 3. PAY EQUITY.

8 Sec. 39.90.200. COMPENSATION POLICY. It is the policy of this state to
9 establish pay equity between female-dominated, male-dominated, and balanced classes
10 of employees in order to eliminate sex-based wage disparities in public employment.

11 Sec. 39.90.210. JOB EVALUATION SYSTEM. (a) Each public employer
12 shall use a job evaluation system to determine the comparable work value of the work
13 performed by each class of employees. The system shall be maintained and upgraded
14 to account for new employee classes and changes in factors affecting the comparable
15 work value of existing classes. Public employers shall meet and confer with the
16 bargaining organizations representing public employees on the development or
17 selection of a job evaluation system under this section.

18 (b) At a minimum, the job evaluation system shall be based on the following
19 factors, measured objectively:

20 (1) the knowledge and skills needed for acceptable job performance,
21 including substantive knowledge and managerial skills;

22 (2) the intellectual effort required including the creativity and analytical
23 skills needed for acceptable job performance, the degree to which the employee works
24 independently, and the complexity of the problems assigned to the employee;

25 (3) the employee's accountability for the employee's actions and the
26 consequences of the employee's job performance, including the employee's level of
27 discretion and the potential for benefit or harm to the employer or the public from the
28 employee's job performance; and

29 (4) working conditions, including the physical effort and skills required,
30 whether the job environment is disagreeable or physically demanding and the hazards
31 presented by the job.

1 (c) After considering the list of classes in which pay inequity exists, each
2 public employer shall prepare a plan to create pay equity for those positions. The
3 employer shall submit the plan to the legislature by January 1 of each odd-numbered
4 year together with the list of classes between which pay inequity exists. The employer
5 shall include the cost of implementing the plan in its budget for the next fiscal year
6 and shall implement the plan at the start of that fiscal year.

7 Sec. 39.90.220. PUBLIC EMPLOYER NEGOTIATING POSITIONS. (a) In
8 preparing the position classification plan and the pay plan for employees, the public
9 employer shall assure that compensation for

10 (1) positions in the different services of the employer compares
11 reasonably to one another;

12 (2) positions in public service bears a reasonable relationship to
13 compensation for similar positions outside public service;

14 (3) management positions bears a reasonable relationship to
15 compensation of the employees managed by the positions;

16 (4) positions within one service bears a reasonable relationship among
17 related classes and among various levels within the same occupations.

18 (b) In this section, the compensations paid to different positions bear a
19 reasonable relationship to one another if the compensation for positions that require

20 (1) comparable skill, effort, responsibility, and working conditions is
21 comparable; and

22 (2) differing skill, effort, responsibility, and working conditions is
23 related to the skill, effort, responsibility, and working conditions required of the
24 different positions.

25 Sec. 39.90.300. DEFINITIONS. In AS 39.90.200 - 39.90.300,

26 (1) "balanced class" means a class in which no more than 70 percent
27 of the incumbents are male and no more than 70 percent of the incumbents are female;

28 (2) "class" means one or more positions that have similar duties and
29 responsibilities and require similar qualifications to perform the duties so that the same
30 descriptive title can be used with clarity for each position in the class, the same
31 selection procedures can be used to recruit employees, and the same compensation

1 schedule can be applied with equity to all positions in the class working under the
2 same or substantially the same employment conditions;

3 (3) "comparable work value" means the value of the work measured
4 by the composite of the skill, effort, responsibility, and working conditions normally
5 required in the performance of the work;

6 (4) "female-dominated class" means a class in which more than 70
7 percent of the incumbents are female;

8 (5) "male-dominated class" means a class in which more than 70
9 percent of the incumbents are male;

10 (6) "management positions" means those positions accountable for

11 (A) determining, securing, and allocating human, financial, and
12 other resources needed to accomplish objectives;

13 (B) determining overall objectives, priorities, and policies within
14 a program area;

15 (C) handling significant and involved relationships with
16 governmental leadership; or

17 (D) exercising discretionary powers on a regular basis;

18 (7) "pay equity" means compensation based on comparable work value;

19 (8) "pay inequity" means compensation that is not based on comparable
20 work value;

21 (9) "public employer" means

22 (A) a department, institution, board, commission, division,
23 authority, public corporation, committee, or other administrative unit of the
24 executive, judicial, or legislative branch of state government, including the
25 University of Alaska and the Alaska State Housing Authority, but not including
26 the Alaska Railroad Corporation; and

27 (B) a school district or regional educational attendance area.

28 * Sec. 4. (a) Notwithstanding AS 39.90.210(c), enacted by sec. 3 of this Act, a public
29 employer shall make the initial report to the legislature under AS 39.90.210(c) by January 1,
30 1997. The initial report must include

31 (1) the following information for each job class, as of July 1, 1996:

- 1 (A) the title of the job class, the number of incumbents, and the
2 percentage of incumbents who are male and the percentage who are female;
3 (B) the comparable work value of the job class as determined under the
4 system chosen under AS 39.90.210, enacted by sec. 3 of this Act;
5 (2) a description of the job evaluation system used by the public employer;
6 (3) a plan for establishing equitable pay relationships between female-
7 dominated and male-dominated job classes, including
8 (A) identification of classes for which a pay inequity exists based on
9 the comparable work value of the class;
10 (B) a timetable for implementing pay equity; and
11 (C) the estimated cost of implementing pay equity.
12 (b) If requested by a public employer, the commissioner of administration shall
13 provide technical assistance in completing the report required by this section.
14 (c) In this section, "public employer" has the meaning given in AS 39.90.300.